

For the Record:

**The Huckabee Administration
1996-2002**

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Forward

On July 15, 1996, then-Lt. Gov. Mike Huckabee was sworn in as the 44th governor of Arkansas. Taking office amid the turmoil of the conviction and resignation of former Gov. Jim Guy Tucker, Huckabee vowed to preside over a period of healing in the state and a renewal of the people's trust in their elected officials.

While it was Huckabee's calm leadership that guided the state past those tumultuous days of the summer of 1996, what would surprise many was the ambitious agenda Huckabee put forth upon taking office.

The successes of the Huckabee administration are perhaps unparalleled in Arkansas history both for the tremendous public support these efforts have engendered as well as their substantial impact on the lives of Arkansans. This impact is even more remarkable when viewed in light of the circumstances surrounding Huckabee's ascension to office. Having assumed the governor's office without the benefit of a long campaign and election process, Huckabee was afforded little time to prepare for the daily demands of the office, much less for the prospect of moving forward with an agenda for the rapidly approaching legislative session. Most politicians and pundits assumed Huckabee would simply preside over a "caretaker government" until the term started by Tucker expired. Time would serve to prove them quite wrong in this assumption.

Unlike most new governors, Huckabee, having not been elected governor, could claim no popular mandate for the efforts and programs he championed. In fact, the newly sworn-in governor would have to set about generating the popular support he would need to move forward even a *modest* agenda. Deciding a "caretaker government" would be a disservice to the people of Arkansas during a time when so many issues of public policy simply couldn't be ignored, Huckabee made a decision that his term as governor, however brief, would be spent moving forward, not simply standing still. This decision would change Arkansas government and politics in a profound way.

Huckabee quickly became adept at pursuing multiple policy objectives simultaneously. Those first so-called "caretaker" years were, in fact, marked by major public policy victories such as the ARKids First program, the Smart Start education initiative, unprecedented tax relief, welfare reform and a complete streamlining of the car tag renewal process – thought by many to be a victory of singular importance. Huckabee quickly laid down a record of progressive, reform-minded leadership. Clearly, Huckabee had decided there was no time for being a "caretaker" – only for taking care of business.

It was on this record of unexpected and hard-earned success that Huckabee entered the general election of 1998 to campaign for the office he had been thrust into with little warning in 1996. This time, however, the governor would ask for the people's support based on his proven record of accomplishment.

On Nov. 3, 1998, garnering 60 percent of the popular vote, Huckabee was elected to a full four-year term as governor. Finally receiving the mandate he had lacked upon taking office in 1996, the governor set about pursuing an even more ambitious agenda rooted in the same reform-minded leadership that became the hallmark of his first 2½ years of service.

What follows is a narrative of the Huckabee administration's record of achievement from those stormy days of 1996 to the present.

This record, when taken in whole, represents an important period in Arkansas history. Arkansas has seen a Republican governor simultaneously change the system while working within it to achieve dramatic reforms. One must be mindful that none of the reforms of the Huckabee administration were achieved with a Republican majority in either house of the Legislature. In fact, Arkansas consistently has one of the most Democratic legislatures in the country – and the Huckabee years have been no different. Perhaps better than any other governor could have, or would have, Huckabee has reached across party lines to seek a legislative environment where party takes a back seat to the people's business.

Just as an actor is only considered as good as his last performance, a governor can only be fairly judged by his record in office. In this regard, the following pages document the successes of six years of the Huckabee administration.

Part One:

Major Programs and Initiatives

Legacy Items

When a governor surveys the landscape of suggestions, plans and projects that will potentially take their place on his legislative agenda, priorities begin to be established out of sheer necessity. The legislative process is complicated, time-consuming and fraught with pitfalls that any good idea must navigate cautiously.

Before entering a legislative session, literally dozens of potential agenda items are drawn from the pool of ideas that always forms around the governor. He must evaluate them based on criteria including the amount of realistic good the proposal will provide if successful, the roadblocks and obstacles that must be overcome if the idea is pursued and the impact the idea will have on state government as a whole and various programs individually if put into place.

This process of picking one's battles is incumbent upon any governor, but the process is even more critical to an aggressive, proactive administration determined to move forward with an ambitious agenda.

During Gov. Huckabee's term of office, several programs have risen above the ranks of simple legislative agenda items or good ideas. These programs have come to be thought of as legacy items of the Huckabee record – programs that, like the planting of a tree, will bear the greatest good for generations to come.

The bottom line of many of these programs is their long-term benefit. For some programs, results are already being seen. For others, the return on our investment may not be seen for a decade or more. What is certain, however, is that the programs described on the following pages are considered by Huckabee to be among the most important contributions he has made thus far as governor.

ARKids First:

Quality, Affordable Health Care For Arkansas Families

Without question, the program of which Gov. Huckabee is most proud is ARKids First. Originally conceived as an integral part of the governor's welfare reform package, ARKids First provides health coverage to tens of thousands of otherwise uninsured Arkansas children. The cost is only a fraction of the state's overall health budget, and yet it is an essential investment in our future, providing preventive care that keeps kids healthy and in school when they would otherwise lose vital learning time and cost far more in emergency room visits. ARKids First has placed the focus where it ought to be - preventing illness before it starts -- and has helped families leave the welfare rolls by eliminating the old regulations that removed their children from Medicaid when the parents became employed.

In its first year in operation, more than 30,000 Arkansas children were enrolled in ARKids First. The program proved exceptionally cost effective as well. The average monthly cost per enrollee was \$36 per month, far less than originally expected. So stunning has been the program's success that many states have contacted Arkansas, seeking to learn how they could build similar programs in as short a time. A key part of the answer: Arkansas did not wait for a federal solution to its local problem. By using a Medicaid waiver to establish ARKids First, Arkansas was able to put its program in place six months before other states were able to use the federal State Children's Health Insurance Program to do the same thing. By being proactive, Arkansas was able to literally take care of its kids first.

The governor's primary directives when creating the ARKids First program were that the program be easy to apply for and that it avoid the stigma often associated with welfare.

These goals have been accomplished. ARKids applications are easily acquired and can be submitted by mail, and the institution of a small co-pay by ARKids parents makes the program a partnership for their children's health, not a handout.

With the success of ARKids First, the governor sought to expand the program's reach so even more families could benefit.

In August 2000, the state began offering a joint application form for the SOBRA Medicaid program as well as ARKids. Today this results in what are known as ARKids A and ARKids B being available to parents seeking coverage for their children.

There are more than 175,000 children enrolled in ARKids First. More than 7,000 new families apply for ARKids every month – with more than 75 percent of these families being approved.

The success of ARKids First -- and with it, welfare reform -- has been phenomenal. Prior to ARKids, thousands Arkansas children went without primary health insurance of any kind. Today, more than 175,000 children are covered by ARKids.

Smart Start and Smart Step:

A New Beginning For A Better Arkansas

Arkansas' economic prosperity and the quality of life are directly dependent on the strength of our education system. The state Constitution places the responsibility for public education squarely on the shoulders of state government. And that responsibility is viewed by Gov. Huckabee as the most sacred trust that can be vested in him in his role as governor.

But Huckabee is not simply the chief executive of the state's education system – he is also a parent. Education decisions affect the Huckabee family just as they affect families across Arkansas. Huckabee has had the type of vested interest in public education that only a parent can appreciate.

In 2002, education remains a burning issue across the country. The federal government's National Institute for Literacy recently reported that 21 to 23 percent of the adult population of the United States is at the lowest level of literacy. According to the report, these adults, ages 16 and older, "displayed difficulty using certain reading, writing and computational skills considered necessary for functioning in everyday life." They are effectively illiterate. The schools have failed them, and they are unable to cope with daily life.

This ought not be, and in America's recent past, it was unheard of. The National Right to Read Foundation reports that in 1940 only 3 percent of Americans could not read.

The situation in Arkansas is especially acute. Upon taking office, Huckabee was faced with the following statistics – and they painted the picture of a crisis:

87 percent of Arkansas' eighth graders were not proficient in math (NAEP)

87 percent of 11th graders failed the math section of the state's exit exam (ACTAAP)

80 percent of Arkansas' fourth graders were not proficient in reading (NAEP)

Arkansas' student scores on the ACT had remained essentially stagnant for decades and were well below the national average

The sobering fact is that, while total education spending in America has increased 57.6 percent (adjusted for inflation) since 1965, and while Arkansas' education spending per pupil has increased almost 160 percent in the same period, John Copperman's words from the 1983 report *A Nation At Risk* ring truer than ever: "For the first time in the history of our country, the educational skills of one generation will not surpass, will not equal, will not even approach, those of their parent."

Huckabee believes this is a disgrace, and he is not content to let it continue. Recognizing that mastery of -- not familiarity with -- basic skills in the early grades is the foundation on which all learning is based, in 1998 he introduced the Smart Start initiative, along with numerous other reforms designed to rapidly turn our public schools around.

Smart Start is based on the premise that all children will meet or exceed grade-level requirements in reading and mathematics by the fourth grade. Smart Start represents a comprehensive plan for student achievement and is not simply another fad or new innovation to which teachers and students have so often been subjected. It focuses on strong accountability with an emphasis on well-defined, high educational standards in reading and mathematics. These standards are clearly communicated to each school district, its administrators, teachers, students, parents and the voting public. The concept has been expanded to Smart Step to involve students in the fifth through the eighth grades. When reading and mathematics are mastered at the lower grade levels, it is obvious that vastly improved academic success at the higher grade levels will follow.

The success of Smart Start necessitates the coordination of the following four areas:

Standards -- Represented by the state's curriculum frameworks, these standards will be increasingly rigorous and well-defined. For students from kindergarten through the fourth grade, they will serve as the basis for the expected levels of mastery in reading and mathematics, including a specific definition of what is meant by "meet or exceed grade-level requirements in reading and mathematics." For grades 5-12, they will become the blueprint for advanced student performance, increasing the basic foundation laid earlier.

Staff Development -- Focused on teachers and administrators, all activities will promote the mission of Smart Start and emphasize topics related to subject matter content, curriculum alignment with the frameworks, analysis of assessment results, incorporation of a variety of instructional techniques, utilization of technology, distance learning and other local district needs that might be identified.

Student Assessment -- Clearly aligned with the frameworks and classroom instruction, any testing will be performance-based and will emphasize conceptual understanding and application of knowledge.

Accountability -- After learning expectations have been clearly communicated, relevant staff development activities have been made available and reliable, valid assessments have been developed and administered, schools will be held publicly accountable for student achievement.

This last point, accountability, is key. It is not enough that standards exist. It is essential that parents and the taxpaying public have ready access to those standards and how their local schools are measuring up. It is essential to Smart Start and Smart Step that progress of students and schools will be measured in meaningful terms and that those

measurements be made as public as possible, as rapidly as possible. Without this sort of accountability, schools can be expected to perform just as they have for the past 30 years.

While the true impact of Smart Start and Smart Step will only be fully realized in the decades to come, Arkansas is already witnessing improvements that can be linked to the implementation of the various Smart Start and Smart Step components.

Since 1998, fourth-grade literacy scores have increased 6 percent, fourth-grade mathematics scores 17 percent, eighth-grade literacy scores 15 percent and eighth-grade mathematics scores 8 percent.

While Smart Start and Smart Step are not the only education initiatives of Huckabee's administration, the governor believes they are the foundation for future reforms.

The education crisis we face, in Arkansas and across the nation, cannot be met with half-measures. Smart Start and Smart Step, by focusing on the basics and requiring accountability at every step of the process, will not only help turn around Arkansas schools but will help make them a model for the nation. Above all, Smart Start and Smart Step will give Arkansas' kids the tools they need to succeed. There is nothing more important than that.

CHART:

Investing Wisely In Arkansas' Future

The health care cost associated with Americans' use of tobacco products has been a growing public policy issue since the 1970s. Increasing levels of disease and chronic illness associated with tobacco use have reached epidemic proportions, fueled no doubt by massive public relations and advertising campaigns designed to make smoking a fashionable, enjoyable pursuit while downplaying any associated health risk.

In Arkansas, the statistics are shocking:

- * Almost 20 percent of deaths, or 5,200 lives each year, are the result of tobacco-related illnesses.
- * Arkansas has the second highest rate of lung cancer in the country.
- * Arkansas has the fifth highest rate of heart disease.
- * Arkansas spends about \$400 million annually in medical costs for people with smoking-related illnesses.
- * Arkansas has the third highest rate in the nation of adult smokers, while 43 percent of our high school students smoke.
- * Just getting the state up to the national average would save the lives of more than 2,400 Arkansans each year.

Truly, tobacco use, while certainly a personal prerogative, costs this country billions of dollars and countless lives every year.

Because of this, state attorneys general filed suit against the nation's largest tobacco manufacturers to seek the recovery of the public funds required to treat tobacco-related illnesses.

On Nov. 28, 1998, a settlement agreement was reached with the tobacco companies worth more than \$20 billion during the next 25 years. The agreement will provide payments to the states based on a formula developed by the attorneys general.

The states were left to decide for themselves how the money would be allocated. While each state will receive a significant windfall from the settlement agreement, determining how the funds will be utilized has led to sometimes contentious public policy debates.

The average payment to Arkansas will be \$62 million per year or about \$1.6 billion during the next 25 years.

Federal Medicaid match funds should bring an additional \$1.15 billion to Arkansas based on the 10-year average of the Medicaid match rate.

Obviously, a plan for the responsible allocation of these funds was called for. And while many states have decided to use settlement funds for immediate short-term needs such as infrastructure rehabilitation and to cover budget shortfalls, Gov. Huckabee was adamant that tobacco settlement funds be utilized as an investment in Arkansas' long-term health, not simply as "found money."

The governor's commitment to use settlement funds for legitimate health-related purposes fell directly in line with the Coalition for a Healthy Arkansas Today – a broad-based group of more than 100 health organizations from across the state. CHART mobilized to campaign for a well-planned strategy for the allocation of settlement funds with the goal being that these funds would be an investment in the future health of Arkansans.

The CHART plan was comprehensive. The plan, agreed upon by the state's health-care professionals, was proposed to the Legislature in a special session called by Huckabee in April 2000.

Unfortunately, the CHART plan fell victim to the political maneuverings that often plague any legislative body, and the plan was never released from committee to be voted on by the House. In short, the plan was deprived a fair hearing in the House even though it passed without a single dissenting vote in the Senate.

Confident the CHART plan was an important opportunity for Arkansas that couldn't be sidelined by partisan politics, Huckabee vowed to let the people decide the matter if the Legislature couldn't or wouldn't.

The CHART organization immediately set about collecting signatures to get the proposal on the general election ballot. On Nov. 7, 2000, 64 percent of Arkansas voters approved the CHART tobacco settlement plan.

The CHART plan is comprehensive, but the highlights of the program can be summarized as follows:

- A trust fund has been established to generate interest on the capital funds (about \$5 million per year) and facilitate evaluation and accountability of other tobacco settlement allocations/programs. Proceeds from the fund will also pay for programs in times of shortfall.
- A variety of prevention and cessation programs will be put into place to fight the public relations battle to prevent new smokers and convince current smokers to stop. These efforts will be launched at the local and state levels.

- A targeted needs program account was created that provides for the establishment of the College of Public Health as well as the Delta Area Health Education Center. These facilities represent a significant investment in the health of our citizens as they make it possible for a new generation of health-care professionals to learn, research and put their educations to use in Arkansas. A minority health initiative was also created under the umbrella of this account.
- The Arkansas Biosciences Institute has been established to promote wide-ranging research programs geared toward health-related issues. Agriculture, bioengineering, nutritional studies and other scientific fields will be advanced through this fund.
- Medicaid expansion is another important facet of CHART. Under the program, there will be increased coverage in prenatal care, expanded prescription benefits, expanded in-home care for seniors, increased hospital, medical and prescription benefits for many Medicaid enrollees and expanded Medicaid eligibility.

The long-term benefits of CHART will only be realized in the decades to come – and while they will not be immediate, they will be profound.

Seizing upon the windfall generated from the tobacco settlement lawsuit will likely be looked upon as the most important moment in health care in Arkansas' history. Certainly, opportunities to make such a significant investment in our state's health rarely present themselves.

CHART will prove to be a sound investment in Arkansas' future. The foresight of Arkansas voters is something we can all be proud of.

Interstate Revitalization:

A Highway Strategy For The 21st Century

Few issues rank as highly as the long-term maintenance and adaptability of the public transportation infrastructure.

In Arkansas, which has for many years suffered some of the worst roads in the nation, attempts at large-scale construction have often been met with skepticism, lack of funding or ultimately voter disapproval. The resounding defeat of former Gov. Jim Guy Tucker's highway plan by the voters in 1996 is merely one example.

Even in light of the defeat of Tucker's road plan, Gov. Huckabee knew transportation infrastructure was a key element to Arkansas' economic viability in a 21st century economy, where public and commercial transportation must coexist on roads that were constructed decades ago and that had long since outlived their expected lifespan without major repair.

Committed to working for a consensus before attempting to sell any highway strategy to the voters, in the summer of 1997 the governor appointed the Governor's Citizens Council on Highways and Transportation. Made up of 12 Arkansans and led by former Congressman John Paul Hammerschmidt, one of America's premier transportation experts, the council was asked to: (1) conduct a comprehensive study of the state's transportation needs, (2) prioritize the state's needs, (3) formulate a long-range plan to enhance the state's economic development, (4) receive public input as to the best way to proceed, and (5) review and report on the methods of financing highways and transportation generally. The purpose of the council was simple: find the best way to move forward without worrying about how it has always been done before.

The council conducted public meetings across the state and gathered input from a variety of sources on how Arkansas could proceed. One thing became clear early – a patchwork of repairs would never work. Only large-scale, comprehensive repair of the state's interstate highway system would meet the public need for good roads. Simply filling in cracks and patching up holes would never equate to significant upgrading. In fact, what the public and the governor were saying was, "If we're going to do this, let's do it right."

When the council reported its findings and made its recommendations to the governor, the panel proposed a plan for highway refurbishment that was comprehensive and inventive. The council proposed the use of an innovative funding tool called GARVEE bonds – Grant Anticipation Revenue Vehicle Bonds.

The GARVEE bond program would allow Arkansas to use future federal funds to retire bonds approved by the voters. This would facilitate a funding level that would increase the state's capacity for repair and construction to a level never before thought possible. And, best of all, it wouldn't rely on a general tax increase to achieve funding.

Nevertheless, the governor's requirement throughout the process was that, no matter what the council came up with, the voters would ultimately get the chance to approve or reject any plan. This would be the people's plan.

In a June 1999 special election, 79 percent of the voters embraced the governor's highway plan and gave the state authority to utilize GARVEE bonds as part of a comprehensive road project that would take Arkansas into the 21st century with some of the nation's best roads.

The project the voters approved will see 380 miles of Arkansas interstate returned to "good" or "excellent" condition.

With a budget of almost \$1 billion for five years, the program will lead to Arkansas having the smoothest interstates in America.

Will there be traffic delays? The answer is "yes" – how could there not be, given this level of construction and repair? But the voters of Arkansas made a responsible decision to bite the bullet and suffer short-term inconvenience in exchange for finally getting the job done right.

Welfare Reform:

Transitional Employment Assistance

For generations, the war on poverty and its accompanying network of welfare programs pulled families into an almost inescapable web of dependency on welfare assistance. Often, families were actually better off on welfare than in the workforce, facing a loss of medical coverage and a net loss of income upon separation from these programs. This mindset destroyed initiative and trapped recipients in a cycle of poverty. On April 3, 1997, Gov. Huckabee changed the welfare system as we know it by empowering thousands of Arkansans to break the bonds of welfare dependency.

On that date, the governor signed into law a program that limits welfare benefit eligibility to two years. Transitional Employment Assistance assists welfare recipients in acquiring the job skills and related job-search skills necessary to enter or re-enter the workforce as productive citizens, having needed welfare only during times of absolute necessity. The program also provides child care, transportation, children's health insurance (through ARKids First), substance abuse treatment and even makes available grants to help families relocate to areas where jobs are more readily available.

The TEA program employs a strong work first and case management approach. Because the Legislature enacted a 24-month lifetime limit on the receipt of TEA cash assistance, able-bodied parents are engaged in activities leading to work as soon as possible following approval and appropriate assessments. A myriad of support services are provided to the adult to enable that Arkansan to engage in activities to the fullest extent possible. These services are in addition to the monthly cash benefit provided to the family for basic needs such as rent and utilities.

While work first is the driving force behind the TEA program, education and training also play important roles in a parent's move to self-sufficiency. Teen parents without high school diplomas can meet their work requirements by attending school or obtaining a GED. Other parents participate in vocational or on-the-job training as their work activities. Whenever possible, though, training or post-secondary education is paired with some degree of work.

The TEA program provides continued support through child care assistance, case management services and job-retention assistance to families who leave cash assistance with employment. Child-care assistance is available at no cost for the first year following cash assistance closure and then for an additional two years on a sliding fee scale. Case management services and job-retention assistance are available for the first full year following cash assistance closure. These services are vital to the parent's ongoing success in the job.

Due to the TEA program's strong work first philosophy and 24-month time limit, Arkansas has a strong track record of placing parents in jobs. In the high performance bonus awards, Arkansas received the maximum bonus allowed by federal law, ranking

second in the nation in job placements. Since the TEA program was implemented in 1997, an estimated 36,000 children now have parents who work but might not have been working otherwise.

Case closure and job retention data also reflect the success of the program in moving families into employment:

- Even though the TEA program has a shorter time limit than allowed by federal law, more cases are closed due to employment than due to the time limit. In January 2002, for instance, 40 percent of the closures were due to employment. Only 9 percent were due to reaching the state time limit.
- The average wage for new job entrants is \$6.35 per hour. Almost 80 percent of TEA parents placed in jobs stay employed for at least six months.
- The most recent survey of “leavers” indicates that former TEA clients who work for at least two years after their cases close are pulling themselves out of poverty.

Perhaps no one is happier with Huckabee’s program of welfare reform than the thousands of Arkansans who now hold down steady employment, having successfully broken out of the welfare cycle. Since the governor’s reforms were enacted, the welfare rolls in Arkansas have dropped by an amazing 43 percent. That figure represents more than 9,000 families who have broken the welfare cycle.

The TEA program helps the parents it serves achieve the dreams they have for themselves. For example, a parent who converted from the old AFDC program to TEA in July 1997 advised her case manager during her initial TEA assessment that she had always wanted to be a nurse. She is now working as an RN in Memphis, earning \$32 per hour and buying her own home. She has said she would not have been able to complete her nursing training if she had not received the child-care assistance for her preschool children and the transportation assistance the TEA program provided her.

Another mother who entered the TEA program six months pregnant after her abusive husband had abandoned her and their year-old daughter now works full time, has health and dental insurance through her employer and has a retirement plan. Her wages have nearly doubled since she started work through the TEA program. She says, “The TEA program gave me hope and encouragement that there was a way to change the circumstances that had overwhelmed my life...I have achieved stability in my life thanks to TEA.”

The data and individual case stories show the TEA program has changed the face of welfare in Arkansas. But there is still much to accomplish. As the economy has softened and federal and state funding is stretched, the challenge of meeting families’ needs and assisting parents in their employment goals becomes greater. With President Bush’s commitment to continued funding at current levels and restoration of supplemental grants, the TEA program should be able to continue changing children’s lives.

Breaking the cycle of welfare dependency that has become so pervasive has been a goal of the governor since his first days in office. The TEA program has been an impressive step in that direction and a more effective weapon in the war on poverty than any other program in Arkansas' history.

Tax Reform:

Turning The Tide

Upon taking office in 1996, Gov. Huckabee made it clear that one of the guiding principles of his economic policy would be to reduce taxes or eliminate them when feasible. His instructions to his budget advisers and staff at the Department of Finance and Administration were clear – we can do more for Arkansas families by leaving their money with them than we can by having them send it to Little Rock. The governor wanted to see real tax relief in his first legislative session in 1997 – and he wound up achieving more than anyone could have expected.

In the legislative session of 1997, Huckabee was successful in passing a major income tax relief measure. It was the first major, broad-based tax cut in Arkansas history.

Items in that package of reforms included:

- Eliminating the income tax for any family below the poverty line.
- Increasing each taxpayer's standard deduction.
- Eliminating the marriage penalty, which had increased the tax liability of married taxpayers who filed jointly.
- Eliminating bracket creep, whereby families were getting pushed into higher tax brackets because of inflation. Now, income tax is indexed to inflation.
- Doubling the child-care tax credit.
- Increasing the so-called circuit breaker property tax refund threshold as well as the refund.
- Eliminating the income tax on the capital gains resulting from the sale of a home.
- Providing a tax credit to all employed and self-employed taxpayers based on the Social Security taxes they pay to the federal government.

The impact of the tax relief package of the 1997 session was profound, but in more than just dollars saved. It marked a sea change in Arkansas government, which had never seemed to consider tax reduction as a viable or worthwhile proposition.

But the governor didn't stop there. In the legislative session of 1999, he revisited tax reform, this time focusing on the property tax. Much of the frustration over property taxes is a direct result of problems with assessments, rather than with property taxes in general. Taxpayers are rightly distressed by inequities that result when property values are not reassessed for many years and then sudden, large increases in assessments are made. To older, retired Arkansans on fixed incomes, these increases can be devastating.

It is for this reason the governor introduced legislation in 1999 that addressed the grievances many Arkansans had. These reforms laid a foundation for a more equitable tax system.

A PROPERTY TAXPAYERS' BILL OF RIGHTS

The Property Taxpayers' Bill of Rights established a uniform notice and due process procedure guaranteeing all Arkansans they will be treated fairly in the assessment of property taxes. It provides a fair, user-friendly process for taxpayers to appeal the valuation and assessments of their property. It also ensures that taxpayers are able to clearly understand their taxes and are fully informed of their rights. The Bill of Rights is a significant step toward eliminating the inequities that have existed in the Arkansas property tax system.

The Bill of Rights includes provisions to:

- Freeze residential real property assessments when the owner turns 65 or when property is purchased, whichever is later.
- Ensure predictability of tax rates by allowing taxing unit revenues to increase at a rate no greater than inflation or 5 percent, whichever is lower.
- Allow citizens to elect members of the county equalization boards to ensure fair representation and objective review.
- Establish convenient times, outside normal work hours, for appeals to assessors' offices and equalization boards.
- Keep property owners fully informed: notified immediately upon being assessed, told how and why adjustments were made, told time frames and procedures for appeals.
- Equip taxpayers with the information they need to lodge an appeal. Provide taxpayers clear, simple rules of procedure for the assessment and appeals process.
- Help taxpayers to better understand their tax bills by expressing property tax rates as percentages of the property's value.
- Give taxpayers a clearly written explanation of how their property taxes are calculated and how their tax money is spent.
- Protect taxpayers by enacting a statute of limitations for all claims for property tax refunds or corrections of five years to facilitate reimbursement when valid errors are discovered.
- Encourage better participation in elections affecting property tax rates by holding the elections on the same dates as general elections.
- Reduce personal property millage rates to equal the real estate millage rate in those areas where these rates differ.
- Designate a state agency to provide property taxpayer advocacy — to advise and assist taxpayers with property tax problems.

Several other measures were enacted during the 1999 session to strengthen property tax reform. The Legislature:

- Increased the amount of property tax refunds and modified the income brackets.
- Required county assessors to give notice to a property owner at least 45 days before an appraisal.

- Required each county to institute a system of regular revaluation of all real estate and adhere to standards that ensure fairness and equity. Any assessment increases from the revaluation efforts must be phased in over three years.

Property tax reform wasn't the only goal for Huckabee during the 1999 session. Several general tax relief provisions were passed to further the gains made in 1997. The Legislature:

- Increased the dependent tax credit to \$25 per year.
- Increased the state income-tax credit for household and dependent care from 20 percent of the federal credit to 30 percent if the care is provided by a facility that has not been certified as having an appropriate early childhood program. The credit was increased from 20 percent to 30 percent in 1999, to 40 percent in 2000 and to 50 percent in 2001 if the care is provided by an approved early childhood program.
- Aligned the state tax code with the federal code regarding Roth IRAs and educational IRAs, and exempted the first \$6,000 of benefits received from a conventional IRA, giving these distributions the same tax treatment as distributions from other tax plans.
- Excluded the first 30 percent of capital gains from the state individual income tax.
- Provided an income tax credit for companies that provide training and educational programs for their employees.
- Provided an income tax credit for companies that reimburse their employees for the cost of tuition, books and other related education expenses. The credit is equal to 30 percent of the reimbursement.

Since coming into office, Huckabee has pursued tax fairness by every means at his disposal. In 1997, he sponsored and signed into law the first broad-based income tax cut in state history. The governor's vision for property tax and general tax reform is a work in progress, aimed at providing a more equitable system of taxation for Arkansans.

What has already been established is a precedent for turning the tide of taxation in Arkansas. This is a momentum that can only benefit the families of Arkansas.

Amendment 75:

Preserving Arkansas' Natural And Cultural Heritage

Arkansas' natural heritage is among the treasures that make the Natural State a special place to live and raise a family. Regardless of where one lives in Arkansas, scenic beauty, natural wonders and outdoor family recreation are never more than an hour away. But this rich natural heritage that contributes to Arkansans' quality of life must be protected and preserved.

For many years, the future of Arkansas' state parks, natural areas, Game and Fish Commission projects and other conservation and education efforts slid into an increasing state of peril due to budget constraints. By 1995, years of inadequate funding had caught up with our state parks. Many of these facilities were constructed decades ago and were in severe need of repair. Expansion or improvement wasn't even considered a fiscal possibility. The Game and Fish Commission suffered from a complete lack of general revenue – the agency's charter prohibits it from accepting general revenues and requires the agency to operate largely on funds generated from hunting and fishing license sales.

During the 1995 session, the Legislature put a proposed constitutional amendment on the state ballot that, if passed, would provide a 1/8 cent sales tax to fund the state's conservation agencies: the Game and Fish Commission, the Department of Parks and Tourism, the Department of Arkansas Heritage and the Keep Arkansas Beautiful Commission. The amendment was to be voted on in the 1996 general election and came to be known as the conservation amendment.

Upon taking office in July 1996, Gov. Huckabee embraced the conservation amendment and made its passage a priority. The governor went so far as to embark on a journey that would take him the entire length of the Arkansas River in the state in his bass boat. Following close behind on her jet ski, first lady Janet Huckabee made the trip as well. The governor quickly became the amendment's most vocal supporter.

What was at stake, simply put, was Arkansas' viability as a natural recreation destination. Arkansas parks alone attract more than 7 million visitors annually, contributing more than \$220 million to the economy. A point the governor hit on repeatedly was that we couldn't continue to call ourselves the Natural State if we didn't put action behind those words.

Without the revenue that would be generated by passage of the conservation amendment, many state parks, historic sites and museums would have been forced to either raise rates dramatically or shut down. The Game and Fish Commission was facing a shortage of wildlife officers, biologists and other personnel and was contemplating scaling back fish-stocking projects, stream improvements, school programs and numerous other efforts. The Department of Arkansas Heritage would have been forced to essentially accept the natural decay that all of our preserved historic buildings face every year. The money simply was not there to preserve what we had – much less improve it.

The governor campaigned hard for the conservation amendment, and his efforts were rewarded with the amendment's passage on Nov. 5, 1996. The proposal became Amendment 75 to the Arkansas Constitution.

Amendment 75 is nothing short of a lifeline for Arkansas' conservation agencies. Bringing in an average of \$46 million annually, the amendment allocates 45 percent to the Parks and Tourism Department, 45 percent to the Game and Fish Commission, 9 percent to the Department of Arkansas Heritage and 1 percent to the Keep Arkansas Beautiful Commission. Amendment 75 has allowed a level of maintenance and improvement of Arkansas' natural and cultural resources that was only dreamed of before.

The list of improvements made possible by Amendment 75 grows larger by the day. Some of the notable accomplishments include:

- Facilities improvements at almost every state park
- Reopening and renovation of the storm-damaged Jacksonport State Park
- Beginning construction of Mount Magazine State Park
- Dedication of new tourist information centers at Texarkana, Dora, El Dorado and Corning
- Additional wildlife officers
- Game and Fish Commission land acquisitions and improvements (more than 20,000 acres of public use areas)
- Increased conservation education programs
- The completion of the first of four nature centers (the Gov. Mike Huckabee Delta Rivers Nature Center in Pine Bluff)
- Fish hatchery renovations
- Main Street Arkansas downtown revitalization grants
- Renovation of the Old State House and the Historic Arkansas Museum in Little Rock
- Education/curriculum guides for teachers on Arkansas' heritage
- Expansion of the Delta Cultural Center in Helena

These are but a few of the ways Amendment 75 is preserving Arkansas' heritage and resources. The work goes on every day.

A great testimony to the benefit of Amendment 75 is the state park situation in neighboring Tennessee. The recent economic slowdown and resulting budget cutbacks forced Tennessee officials to padlock the gates of several state parks. Meanwhile, Arkansas state parks are seeing improvement and revitalization. The contrast is notable from a policy point of view and because of the fact that in a market where competition is fierce for tourism dollars, Arkansas has a distinct advantage because of Amendment 75.

As Parks and Tourism Department officials like to say, "We're in the forever business." There are things in life that come and go, but once a historical treasure or bit of your natural heritage is lost, you can't regain it or replace it. We only have one shot at

preserving our natural and cultural heritage in Arkansas. Amendment 75 makes that preservation possible.

Character Education:

Character IS The Issue

It is sometimes said that when a child is born, he is essentially like a book of blank pages. The child's parents, teachers, peers and society at large wind up writing on the pages of this book in the process of character-shaping episodes that becomes the child's life. The early years are most crucial. The examples we give that child are what help mold his views and moral code. Obviously, this influence can be positive or decidedly negative, and the child's resulting character inevitably will determine his course in life and his impact on others. This is why character matters in politics, in family relationships, in social affiliations and especially in education.

Arkansas' budget for the Department of Correction is more than \$170 million. The average inmate costs Arkansas \$13,000 per year to house. The cost of a juvenile spending a year in a wilderness camp, plus aftercare, comes to about \$60,000. And, according to one study, it saves society up to \$2 million to save a high-risk youth from a life of crime.

The cost society bears due to the pervasiveness of crime is reason enough to be concerned. But the human element cannot be ignored. Gov. Huckabee has always realized that human faces lie behind every crime statistic. It is for this reason he is so committed to the concept of character education.

During the 1997 legislative session, Huckabee signed legislation creating a clearinghouse for character education materials. Since then, many schools have accessed the materials and implemented character education programs. While the governor has no intention of placing more mandates on local schools, he is interested in doing whatever he can to encourage every school to implement character education. The clearinghouse is the best way state government can facilitate the cause of character education.

With the support of Huckabee and the state Department of Education, five schools began the development and implementation of the character-centered teaching model. These five schools form the core of the partnership that seeks to enhance the model and disseminate the character-centered teaching model to other schools. Arkansas has received expanded funding for the character education initiative through the U.S. Department of Education's Partnership in Character Education pilot projects. These funds will be used to evaluate the five core schools, revise professional development materials, create a handbook for training activities and train educators to expand the model to other schools across the state. The five model schools are Corning High School, Eudora Middle School, Gardner Primary School in Hot Springs, Lakewood Elementary School in North Little Rock and Icard Elementary School in Van Buren.

The character-centered teaching model is only one of many character education programs used in schools across the state. The school districts are reporting reductions in discipline referrals, more time for instruction and overall success for their schools.

Thanks to the priorities established by Huckabee, Arkansas' public schools now have access to curricula and assistance that can be instrumental in helping mold young students into ethical, responsible citizens. Society can only benefit from this resource.

Charter Schools:

A New Alternative

The charter school concept is not a new one. In the 1970s in New England, groups of educators, parents and concerned citizens began experimenting with small schools founded on a specific educational mission statement, or charter, which clearly expressed the methods and goals the school would operate under as well as the target results the school hoped to achieve. These pilot charter schools met with varying degrees of success. But one thing was certain: They paved the way for education reform by abandoning traditional models in favor of reinventing what a school is all about.

Charter schools encourage the use of innovative teaching methods and offer parents a viable choice in the education of their children. Designed to be a part of the public school system, charter schools can be thought of as a laboratory for educational innovation within the system. The charter school and its sponsoring groups enter into what is essentially a contract with the community whereby clear goals and a higher degree of accountability are established.

In Arkansas, legislation was passed in 1995 to allow for charter schools to operate under the auspices of the state Department of Education. Unfortunately, the legislation was so restrictive that no charter schools opened. Charter schools were, for all intents and purposes, a dead issue in Arkansas.

Gov. Huckabee sought to change the landscape of public education in 1999 by including charter schools in his legislative agenda. He had failed in a similar attempt in 1997. The first challenge was to pass legislation that actually facilitated the creation of charter schools and afforded them a chance to succeed. With the passage of the Charter Schools Act of 1999, charter schools were finally given that chance.

The act enabled up to 12 open-enrollment charter schools to be created across the state while also allowing an unlimited number of conversions of existing public schools. Under the law, schools are established based on a one-year to three-year renewable contract with the state Board of Education.

Charter schools were again part of the governor's agenda in 2001 when additional measures were put in place to remove some of the barriers to charter school development and allocate additional resources to support their success.

Since the passage of the 1999 act, six charter schools have been established in Arkansas and three additional schools are scheduled to open in the fall of 2002.

At the 2002 Charter Schools Conference in Little Rock, Huckabee laid out his T.E.A.C.H. model for charter school educators and parents. T.E.A.C.H. stands for the components of teamwork, empowerment, accountability, competition and the human element – all facets of what he believes the charter school concept should represent.

With teamwork, the governor refers to the teamwork that is essential between charter school sponsors, parents, pupils, community members and district and state officials. A charter school cannot exist in a vacuum. Teamwork is essential if a school has any chance of fulfilling its contract and mission.

Empowerment refers to the responsibility of the governor, Legislature and state Department of Education to remove unnecessary, arbitrary barriers that restrict charter school development.

Accountability is vital if charter schools are to work. The higher degree of scrutiny charter schools operate under serves to validate the innovations they bring forth. Because the school is held accountable to the community and parents through its charter, the public takes an active role in education and sees which innovations are working.

Competition is, in the case of charter schools, a great thing. The competition between traditional public schools and charter schools provides two important benefits: educational innovations and parental choice. Charter schools give parents in many areas of the state the first affordable choice they've ever had regarding their children's education.

Finally, the human element is the factor Huckabee hopes drives every decision regarding education. We must never get so bogged down in the differing philosophies of education that we fail to be mindful that the young child sitting in his or her school desk is the most important thing of all. Making sure that child's potential is limitless should be the primary consideration in any education discussion. When that is the case, everything else tends to fall into place.

By strengthening the state's charter school law, Huckabee has breathed life into the charter school concept in Arkansas. Thanks to his leadership, charter schools are now a viable alternative for many Arkansas families.

Covenant Marriage:

Strengthening Families

At the 1999 Governor's Conference on the Family, Gov. Huckabee declared a state of marital emergency in Arkansas. Sadly, Arkansas has one of the highest divorce rates in the nation. And the costs of divorce to the state are staggering:

- Arkansas' divorce rate is 6.5 vs. the U.S. rate of 4.2.
- Arkansas' marriage rate is 15.1 vs. the U.S. rate of 8.3.
- Almost 75 percent of children living in single-parent families will experience poverty before they turn 11. Only 20 percent of children in two-parent families will do the same.
- The Journal of Marriage and the Family reports that a recent analysis of 92 studies of children found that parental divorce is associated with negative outcomes in the areas of academic achievement, conduct, psychological adjustment, self-esteem and social relations. Another analysis of 33 studies found that adults who experienced parental divorce as children, compared with those from continually intact families of origin, have poor psychological adjustment, lower socioeconomic attainment and greater marital instability.

While many marriages enter periods of instability, this doesn't always doom the couple to divorce. Linda Waite, a professor of sociology at the University of Chicago, surveyed 3,500 couples whose marriages were in trouble. Of people who rated their marriages in 1987 as very unhappy but did not divorce, 70 percent said five years later that their marriages were either very or quite happy.

Research is showing that when couples are given time to think and time to seek counseling, troubled marriages can become stronger than ever.

While there is little government can do to save marriages, there are legitimate steps government can take to help couples get off on the right foot as they embark on a life together.

The covenant marriage concept is being tried in some states. It provides a completely voluntary option for couples seeking to enter into a commitment that is less easily dissolved than the common marriage. Huckabee was successful in getting a covenant marriage law passed in the 2001 legislative session.

Covenant marriage offers couples the freedom to choose to be held to a higher level of marital commitment. Couples choosing a covenant marriage take extra steps of preparation for a lifelong commitment by attending premarital counseling.

Additionally, these couples agree that if their marriages should ever run into trouble, they will seek marriage counseling before divorces will be granted. Courts have jurisdiction to waive this requirement when safety is a concern.

Covenant marriages also have more limited grounds for divorce. Couples in a covenant marriage are not able to seek divorce based on the grounds of general indignities. Couples have to live apart for a greater length of time before seeking a divorce. Under the current law, couples must live apart for 18 straight months without cohabitation.

Under a covenant marriage, a spouse may seek divorce on the following grounds:

- The **other** spouse has committed adultery
- The **other** spouse has committed a felony and has been sentenced to death or imprisonment
- The **other** spouse has physically or sexually abused the spouse seeking the divorce or a child of one of the spouses

Additionally, there are divorce possibilities resulting from separation:

- Couples must live apart for **two years**
- If there are minor children involved, the couple must have been living apart for **2½ years** from the date the judgment for judicial separation was signed. If abuse of a child was the basis for judicial separation, the couple must live apart for only one year from the date the judgment was signed.

Already married couples also have the option of converting to covenant marriages. To do so, couples must first consult a counselor to become informed about the responsibilities of covenant marriage. Couples converting to a covenant marriage voluntarily subject themselves to the limited divorce grounds and counseling requirements.

While it is not the business of government to meddle in the private lives of its citizens, there is no reason government cannot provide incentives and the tools to help make those relationships stronger. The harm divorce causes children is simply too costly to ignore. Through covenant marriage, Huckabee hopes to give families a valuable tool to make the commitment of marriage even stronger.

STAR: Simplifying The Car Tag Renewal Process

Any Arkansan who ever waited in a long line clutching a handful of paperwork in an attempt to renew his automobile registration can thank Gov. Huckabee for completely overhauling the car tag renewal process in Arkansas. If making government customer friendly means making it more responsive and cutting out red tape, then the STAR car tag renewal system is a model program.

The idea for simplifying the process came from behind a revenue office desk. In late 1996, Huckabee spent a half-day working behind the desk of a revenue office at Marion in order to get a feel for the job and the concerns of employees and customers. From discussions with revenue office employees, he learned that the system of tag renewal was overly complicated and time consuming. More importantly, he learned that it needn't be that way.

In the 1997 legislative session, Huckabee was successful in passing a package of bills that now enables Arkansans to renew car tags by telephone, mail or computer – virtually eliminating long lines at revenue offices.

The legislation put in place a computer system linking the state's revenue offices with county assessors, collectors and insurance records that makes it possible to verify that a driver is current on property tax assessment, payment and insurance requirements. Vehicle registration may be completed in minutes. It's no longer necessary to go from office to office and prove, through a variety of documents, that all obligations have been met.

The state also eliminated the requirement that vehicles be inspected before tag renewal. Studies have shown that for more than 25 years, the so-called safety inspection has had no effect on highway safety. In fact, many states did away with the inspection years ago. Eliminating the inspection requirement further streamlined the renewal process and eliminated an unnecessary burden on drivers.

This reform not only saves Arkansans time, it also saves them money. Drivers pay \$1 less for every auto registered, resulting in a savings of \$3.5 million to the citizens and an estimated \$32 million savings in lost time regained as a result of these reforms. The changes also eliminate the paperwork duties of 14 state troopers, which enables them to preserve peace and order on the streets, not behind a desk.

The governor strongly believes the sum total of seemingly small things like streamlining the car tag renewal process has a tremendous, cumulative impact for the good of Arkansas by making government more responsive to the people.

Youth Programs:

Focusing On Our Greatest Natural Resource

Hooked On Fishing – Not On Drugs

The Future Fisherman Foundation of America developed the Hooked On Fishing – Not On Drugs program in 1986 in response to a letter from 14-year-old Matthew Deakins, who explained how his involvement in fishing helped keep him away from drugs. Matthew thought fishing could help other kids.

Shortly after taking office, Gov. Huckabee, himself an avid fisherman, learned of the Hooked On Fishing program and recognized its potential benefits for Arkansas' youth. In 1997, the governor's office, the Game and Fish Commission and the Department of Education joined together to bring the program to Arkansas.

The program helps students develop life skills such as goal setting, decision making and problem solving while improving self-esteem. Essential to the program, however, is the involvement of good role models.

Hooked On Fishing provides a drug-free alternative to kids who may have never been exposed to fishing or any outdoor activity.

Beyond the obvious anti-drug themes, HOFNOD teaches students the importance of viewing the natural environment as a gift to be enjoyed and protected. By combining the outdoor experience with quality role models, it is hoped kids will learn to appreciate and respect not only the natural world but also their own lives. As the governor says, "You can only truly enjoy God's beautiful creation with a clear mind and an open heart." Hooked On Fishing seeks to instill that desire for a drug-free natural high in our young people.

Huckabee has watched HOFNOD grow from a concept on paper to a program enjoyed by thousands of students and adults across the state. Dedicated fishing ponds, rod and reel giveaways, tackle lending programs at local libraries and schools and the dedication of hundreds of adult coordinators have made HOFNOD a showcase program for fighting the drug threat with positive alternatives, not just rhetoric.

HOFNOD is a program Huckabee supports not only as part of his administration's legacy but as something close to his heart.

Play It Again Arkansas

The value of music education during a young person's formative years, while often overlooked, cannot be overestimated.

Every week, more than 100,000 students study music in Arkansas.

Band instruction builds character in young people. Becoming proficient with a musical instrument takes time, patience and commitment. This promotes discipline and a strong work ethic. Working as a band promotes teamwork. All this equates to making a student a better employee and employer tomorrow.

Scientific research affirms the link between music/arts education and higher academic achievement. Music teaches a person how to manipulate symbols, analyze, synthesize and evaluate – all high-order cognitive skills.

On the SATs, students studying the arts four years or more scored 59 points higher on the verbal portion and 44 points higher in math. Music instruction imparts concepts that carry over into various other disciplines. For instance, drummers seem to grasp fractions quickly due to the mathematical breakdown of the rhythms they create musically.

Sadly, many students cannot afford to participate in band activities due to the high cost of musical instruments.

The first statewide program of its kind in the nation, Play It Again Arkansas, was conceived by Huckabee after witnessing a similar program in Memphis. A musician himself, the governor recognizes the lifelong joy music can bring, as well as the self-fulfillment it can provide.

Located at the state Department of Education, Play It Again Arkansas encourages Arkansans to donate their used band and orchestra instruments to local music education programs, where they can once again be utilized and appreciated.

Through PIAA, more than 200 local coordinators oversee the receipt, repair and disbursement of instruments to children. This refurbishment and repair is possible through the use of donated funds and labor. The program has been well received by students, band directors, superintendents, principals, parents and music dealers.

Through Play It Again Arkansas, kids receive more than just an instrument. They are being given a chance to discover talents they never knew they had and a chance to believe in themselves.

Part Two: Legislative Achievements

While much of a governor's record is defined by a handful of key issues, a legislative agenda must be viewed in total to gain a true sense of its direction and impact.

During the three regular legislative sessions of Gov. Huckabee's term (the sessions of 1997, 1999 and 2001), literally thousands of bills have crossed his desk requiring his action. Many of these bills were part of what is known as the governor's package – bills conceived by or strongly supported by the governor or agency bills supported by his department heads. These bills are sponsored by members of the Legislature, as the governor may not sponsor legislation directly. But what the governor includes in his legislative package is clearly tied to him as it is deliberated in the legislative process.

What follows is a listing, sorted by issue, of bills that were part of Huckabee's larger legislative agenda during his time in office – bills he supported and ultimately signed into law. Some of these bills received public and media attention, others did not. But all were conceived to benefit the people of Arkansas. In fact, many strengthen or supplement the legacy items detailed in part one.

Education:

Act 400 (1997) reforms the **home-schooling** process, making it easier for parents who choose to educate their children at home by minimizing government intrusion in parents' educational decisions. Parents no longer face burdensome administrative nuisances such as annual unfunded achievement tests, rigid scheduling requirements and the required provision of reams of irrelevant information to the Department of Education.

Act 1313 (1997) requires **criminal background checks for teachers**, making schools and children safer. Although the initial background checks were paid for with public funds, teachers entering the profession and teachers who change districts are required to pay for the background checks themselves.

Act 977 (1997) creates a **single-track core curriculum**, which eliminates the technical preparation track in public schools. This ensures that all students receive a solid foundation in reading, writing, problem-solving and other basic skills regardless of their future education plans.

Act 1307 (1997) revises the **school funding formula** to offset the negative impact that legislation of previous years had on small rural school districts.

Act 890 (1999) allows the creation of **charter schools** by either converting existing schools or starting new ones. (See also the charter schools section in part one).

Act 858 (1999) raises the family income limit on the **Academic Challenge Scholarship** program. This allows more students to attend college and encourages them to attend college in Arkansas.

Act 999 (1999) discourages social promotion of students. It requires intervention and remediation for students who do not demonstrate proficiency in the core curriculum.

Act 148 (1999) consolidates the educational technology functions in the state Department of Education.

Act 852 (1999) amends the Teacher Fair Dismissal Act to allow school districts to terminate or suspend teachers for outrageous conduct by requiring districts to “substantially” comply with the law rather than “strictly” comply.

Act 1158 (1999) requires the Workforce Education and Career Opportunities Board to develop a performance-based accountability system for post-secondary and technical institutions.

Act 652 (1999) establishes the **Arkansas Technical Careers Loan Forgiveness Program** to assist students who fill special needs areas in the technical fields.

Act 1456 (2001) provides for a **\$3,000 teacher pay raise** to be phased in.

(See also the Smart Start, character education and charter schools sections in part one).

Family Issues:

Act 1273 (1999) The Fetal Protection Act. Prior to 1999, if a pregnant woman was attacked and her unborn child died as a result, the only charges that could be brought against the perpetrator were for assault on the mother. The unborn child was not considered a victim since Arkansas' criminal code did not recognize an unborn child as a person. Under this law, if a perpetrator attacks a pregnant woman and kills her unborn child, the perpetrator can be charged with murder.

Act 236 (2001) The Safe Haven Act seeks to provide an alternative for young mothers facing unwanted pregnancies. Across the country, stories of newborns being abandoned are all too frequent. This law allows a mother to drop off her newborn at any medical facility in the state without fear of repercussion. It is the governor's hope that this will save lives while providing adoptive children for loving Arkansas families.

Act 353 (2001) establishes a **woman's right to know** about what an abortion entails before she undergoes the procedure.

Act 704 (1999) allows judges to require divorcing parents of minors to complete two hours of parenting classes or require them to take part in **divorce mediation**.

Act 328 (1999) extends subsidy payments from age 18 to 21 if a child has a documented disability that prevents him from living independently.

Act 517 (1999) amends the guardianship statute to comply with the federal Adoption and Safe Families Act. It allows any parent who is chronically ill or near death, without surrendering parental rights, to have a standby guardian appointed by the court.

Act 518 (1999) amends the adoption code to allow foster children to be adopted by their foster parents more quickly when they have been living in the home six months or longer.

Economic Development:

Act 995 (1999) amends the Manufacturers Investment Tax Credit Act of 1985 to expand eligibility to businesses engaged in computer programming services, development and prepackaged software, digital-content production and preservation, computer processing and data processing, information retrieval services, motion picture production, commercial physical and biological research, distribution centers with no retail sales to the public, corporate or regional headquarters with no retail sales to the public, and trucking and distribution terminals with no retail sales to the public.

Act 575 (1999) authorizes an income tax credit of up to 100 percent of a project's debt service payments when the payments are made by eligible businesses that undertake large capital investment or job-creation projects.

Act 1130 (1999) amends the Arkansas Enterprise Zone Act of 1993 to provide an income tax credit to eligible companies equal to 100 times the hourly wage with a cap of \$3,000 per new employee. The tax credit increases to \$6,000 if the business is in a high unemployment area.

Act 976 (1999) provides an income tax credit of up to 50 percent of the cost of purchasing or constructing a facility that designs, develops or produces electric vehicles or the fuel cells that power them.

Act 584 (1999) authorizes the state Department of Economic Development to negotiate a rebate of up to 3.9 percent of new employee payroll to a new or expanding company. That percentage goes to 5 percent in areas of high unemployment.

Act 448 (1999) creates a pilot program operated by the state Department of Economic Development that makes participation loans in amounts from \$5,000 to \$80,000 to small business owners in the state.

Law Enforcement and Criminal Justice:

Act 688 (1999) authorizes the construction of the **Northwest Arkansas satellite training facility** for law enforcement officers.

Act 1213 (1999) provides personnel and equipment for the Western Regional Drug Laboratory.

Act 565 (1999) allows, at a prosecutor's request, for state Crime Lab analysts to testify in court by two-way closed-circuit or satellite-transmitted television.

Act 502 (1999) creates a work group of representatives of various state agencies to plan for a statewide radio system.

Juvenile Justice Reform:

Act 1192 (1999) authorizes juvenile judges to impose adult sanctions on offenders younger than 13 if they are convicted of capital or first-degree murder and have been judged competent to stand trial. It allows 14 and 15-year-olds who have been convicted of violent crimes to receive adult sanctions.

Act 954 (2001) allows professionals who work with juveniles to share information they deem important, such as that a juvenile was arrested, abused or neglected, in order to obtain services for the juvenile.

Act 1115 (2001) establishes a prenatal and early-childhood home nurse visitation program.

Government Efficiency and Anti-Corruption:

Act 1061 (1999) authorizes the Department of Finance and Administration to implement the **Career Ladder Incentive Program** for state employees. (See also the Department of Finance and Administration section in part three).

Act 222 (1999) allows three state agencies to run test programs on **performance-based budgeting**.

Act 973 (1999) appropriates \$25 million from the state General Improvement Fund and transfers \$25 million from the General Reserve Allotment Fund for a **statewide accounting system**. (See also the Department of Finance and Administration section in part three).

Act 34 (1999) prohibits constitutional officers, legislators and their spouses from receiving employment during and two years after their terms in office. It prohibits job enhancement if the constitutional officer, legislator or spouse has a state job prior to the term in office. It restricts constitutional officers, legislators and their spouses from entering into contracts and lease agreements or receiving grants unless the contract, lease agreement or grant involves a competitive bid.

Welfare Reform and Public Health:

Act 803 (1997) establishes a **Workforce Development board and a Department of Workforce Education**, which provides more attention to the issues of vocational education. Through this allocation of resources and personnel, adult education services, rehabilitation services and technical institutes are able to work together for workforce preparation in the era of welfare reform.

Act 871 (1997) increases **childhood immunization measures**, requiring children in day-care facilities to be immunized on a timely basis, and brings new vaccines within the scope of immunization law.

Act 1181 (1999) establishes a **Nursing Home Patients' Bill of Rights**.

(See also the ARKids First and welfare reform sections in part one).

Technology:

Act 1042 (2001) establishes the position of **chief information officer** for the state. This position, essentially a state technology czar, eliminates needless duplication of efforts in state agencies and helps streamline technology implementation. The bill also creates a Chief Information Officer Council to assist the CIO.

Act 1533 (2001) requires **Internet filters** for public school libraries and public libraries.

Act 818 (2001) provides funds for operations of the **Arkansas Wireless Information Network work group**. This measure is designed to move the state toward a single statewide radio system for state government.

Act 1287 (2001) requires state agencies to develop **policies regarding Internet use**.

Act 905 (2001) establishes standards and criteria for electronic contracts, electronic transactions and electronic signatures. This will allow more state business to be performed electronically and thus more efficiently.

Act 1237 (2001) changes state procurement laws to make **electronic purchasing** easier for state agencies.

Act 1249 (2001) and **Act 1250 (2001)** enable full implementation of the state's **geographic information systems** project.

Military and Veterans Affairs:

Act 270 (1999) approves construction of a **state veterans cemetery** on 75 acres donated by Camp Robinson. The state will loan \$500,000 to open the cemetery, and the federal government will repay those funds.

Tourism/Retirement:

Act 291 (1997) creates economic incentives for tourism entrepreneurs to invest in Arkansas. Private developers who build tourist attractions in Arkansas are given tax credits, and sales taxes paid by customers are used as a credit against the capital costs of the development.

Act 609 (1997) creates a funded program to promote retirement and relocation to Arkansas.

Arson Prevention:

Act 921 (1997) increases penalties to deter the wave of **church burnings** that were sweeping across the South in the late 1990s. The law includes a graded penalty system and authorizes the governor to offer a reward of up to \$50,000 in state funds for information leading to the arrest and conviction of arsonists. The fund can also be augmented with private donations.

Part Three:

Agency Achievements

For many Arkansans, the primary interaction with state government is with the state offices and agencies that fall under the governor's executive direction.

While these agencies primarily carry out the day-to-day operations of state government, they also play an important role in implementing the governor's agenda, policy directives and overall vision for the state. The appointment of these agency's directors (the governor's Cabinet) is one of the most direct ways the governor shapes the future of the state since these directors are the managers of the vision he has set forth.

To review a governor's record completely, the accomplishments of his state agencies must be reviewed. The victories detailed on the following pages are representative of the accomplishments of some of the more high-profile state agencies. While they represent a substantial amount of progress, this is merely a sampling of the progressive work going on at state agencies. The employees of our state offices and agencies deserve far more credit than these few pages can afford.

Under the direction of Gov. Huckabee, Arkansas' state government has been progressively more customer driven. What follows are several examples.

Arkansas Department of Education

ACTAAP:

The adoption of ACTAAP (Arkansas Comprehensive Testing, Accountability and Assessment Program), subsequently supported by Act 999 of 1999, stands as an achievement of great importance for Arkansas' system of public education. This document has become the blueprint for Smart Start, Smart Step and Next Step. It is the most comprehensive education reform initiative Arkansas has ever seen.

The Arkansas Model:

The professional development model used under ACTAAP is so uniquely effective that it is referred to as the Arkansas Model throughout the country. It involves all teachers and administrators in all schools. Combined with the structure of annual, quarterly and locally scheduled activities, it provides unique opportunities for staff statewide. Other professional organizations, such as the Arkansas Association of Educational Administrators and the Arkansas School Boards Association, have tailored much of their in-service training to this model.

New Teacher Mentoring:

Every new teacher in Arkansas is assigned a mentor for a one-to three-year period. This program was designed to assist in keeping novice teachers in the profession and make their first years more successful and rewarding. Other measures have been undertaken to assist in teacher recruitment and retention. These include the expansion of Teach for America, the streamlining of the licensure process, the New Teacher Project (the teacher recruitment arm of Teach for America) and the hosting of job fairs.

The Office of Research, Measurement and Evaluation:

The establishment of the Office of Research, Measurement and Evaluation at the University of Arkansas has been beneficial. This office, with its staff of statisticians and graduate students, has given the accountability component of ACTAAP a new dimension not found in many states. The work of the office helps ensure Arkansas' system of public education remains statistically and legally defensible.

Poverty Index Funding:

The establishment of poverty index funding has become a valuable resource. This money has been targeted to the poorest of our elementary schools and can only be used to foster reading, writing and mathematics in preschool and the first grade.

Arkansas Department of Human Services

ARKids First:

The department has dramatically increased the access children have to medical care. From 1997 (when the ARKids First program was brought on line) to 2002, the number of children accessing all Medicaid eligibility categories increased from 130,000 to 260,000. ARKids First provided medical care for children in families who had too much income for traditional Medicaid. But the promotion of ARKids First clearly increased the public awareness of all aspects of health care. In five years, the state doubled the number of children seeing a physician on a regular basis and decreased the state's national ranking in numbers of uninsured children. (See also the ARKids First section in part one).

Welfare Reform:

Welfare reform is working. Since the inception of this program in the summer of 1997, Arkansas has seen a 45 percent reduction in the number of families receiving cash assistance. There are now 36,000 children who have parents who work as a result of the program. Almost 80 percent of the parents who found work through the Transitional Employment Assistance program stayed in those jobs for at least six months. The TEA program has moved thousands of people from welfare to work through personal responsibility. The program received national attention when President Bush came to Little Rock in June 2002 to meet with three women who have used the program and its support services to achieve independence through work. (See also the welfare reform section in part one).

Juvenile Justice:

Two of the medium-risk offender programs operated by the Division of Youth Services have received national accreditation. This is a vital step in building a juvenile justice system that compares favorably with state-of-the-art national programs. The accreditation process is lengthy and extensive. It certainly is a reminder of how far the state has come in recent years in putting a system in place that does a good job sending juveniles back to their communities in better shape. The division goal is to have all programs nationally accredited by 2005.

Children and Family Services:

The Division of Children and Family Services has upgraded the delivery of services to children. The state has been released from the so-called Angela R federal lawsuit. For most of a decade, a federal court was overseeing the work done by the division in terms of foster care, adoption and child protective services. Now the court and all involved parties have agreed the division is operating at a level at which court oversight has expired by mutual consent. Like DYS, the division is working toward a long-term goal of national accreditation. To that end, the division has now been approved and provided a provisional license as a certified child welfare agency.

Volunteerism:

The number of volunteer hours donated to charities and organizations across the state is

growing by more than 60 percent a year. In the most recent year when numbers were available (2000), more than 25 million volunteer hours were donated. Those hours have an estimated dollar value of more than \$479 million. The Division of Volunteerism supports volunteer programs in Arkansas.

Arkansas Department of Finance and Administration

Online Services:

Income Tax Filing – Beginning in 1996, the state implemented an online filing system for taxpayers to file their income taxes electronically. In 2002, the ability to pay individual income taxes with a credit card was added for the taxpayers' convenience.

STAR (STreamline Auto Renewal) – In January 1999, the Office of Motor Vehicles launched an aggressive campaign to ease the practice of registration. Arkansas' online renewal system has since been upgraded to include an electronic check payment feature for easier payments and the ability to renew several vehicles with one transaction. (See also the car tags section in part one).

Sales and Motor Fuel Tax Filing – Since 1999, taxpayers have had the opportunity to file motor fuel taxes online, saving time and the hassle of paperwork. In 2001, the state added a feature allowing sales tax payments online.

Employee Benefits:

In 2000, the Office of Personnel Management introduced the Career Ladder Incentive Program that allowed employees to assist in choosing a standard by which their job performance would be measured. The state offered incentive bonuses for exceeding those standards.

AASIS:

In 2001, Arkansas introduced the first completely integrated accounting system to be used for state government in the country. This structure provides a conduit through which state funds can be controlled and traced. Through these financial controls, the state will continue to see savings on taxpayer dollars for years to come. The previous program did not have the technology to track state expenses as closely as AASIS.

Office of Child Support Enforcement:

In 2001, the Office of Child Support Enforcement created a payment clearinghouse along with a direct deposit feature that reduces the waiting time on payments to custodial parents. The office also began in 1996 converting contracts for child support services to state-staffed operations, creating more jobs for Arkansans and eliminating contract service fees.

Financial Reporting:

Through better financial reporting of the Comprehensive Annual Financial Report, Arkansas was issued an improved credit rating in 1999 that saved taxpayers millions of dollars in interest on state-issued bonds.

Arkansas Department of Higher Education

The Academic Challenge Scholarship:

Under the governor's leadership, the Arkansas Academic Challenge Scholarship has expanded to serve more than 11,000 college students, compared with about 5,500 students who were receiving the scholarship in 1996-97.

The Governor's Distinguished Scholarship:

The Governor's Distinguished Scholarship was also created. This scholarship was successful in keeping 95 percent of the state's best and brightest students in the state for their college education, compared with less than 35 percent before the program was enacted.

Student Retention:

The retention rate of college students has increased from 37 percent to 41 percent.

Enrollment Increase:

Public college enrollment has increased from 98,000 to 110,000.

Arkansas Insurance Department

Reorganization:

The Insurance Department has reorganized, particularly the Financial Solvency Division. In September 1998, the department for the first time achieved full accreditation from the National Association of Insurance Commissioners (for financial solvency regulation) with one of the top five scores awarded since the program's inception.

Technology:

The department was awarded the National Association of Insurance Commissioners' Technology of the Year Award for 1997 and 1998 for using technology to make regulatory activities more efficient, more effective and more coordinated with other states.

Fighting Insurance Fraud:

The Fraud Investigation Division has conducted a number of successful fraud operations and achieved a 97 percent conviction rate. In 2001, the division was given law enforcement authority that allows officers to conduct their jobs in a more efficient manner and to protect themselves in the line of duty.

Consumer Services:

Since January 1997, the Consumer Services Division has helped consumers recover more than \$7 million in claims payments. The agency has reorganized the Agents' License Division and reduced the time it takes qualified applicants to obtain licenses from about four weeks to 10 days.

State Employees Insurance:

The department has played an integral role in reducing costs of the state employees' and public school teachers' insurance plans, eliminating a plan deficit of about \$13 million and ensuring the insurance plans are operated in a fiscally and actuarially sound manner.

Arkansas Department of Economic Development

Job Recruitment:

Gov. Huckabee's charge to the Department of Economic Development to further diversify the state's economy and recruit good-paying jobs has resulted in an increase in the per capita income of Arkansans. The department takes seriously the need to focus recruitment efforts on sectors of the economy and companies offering jobs with better salaries. **The department assisted in the creation of almost 7,000 jobs during the less-than-robust economic times of 2001. Annual per capita income for Arkansans improved almost \$2,000 during that time.** Arkansans' average per capita income in 2000 was \$21,945. That figure increased to \$23,137 in 2001, an increase of 5.4 percent.

Reorganization:

The department was reorganized in 2001, creating a streamlined organizational structure with a separation of internal and external functions. The department adopted a regional team concept consisting of members of the community development unit, business development unit and the customized training unit to provide consistent support for businesses and communities across the state. The result has been a more focused approach to serving the state's economic development needs.

Opportunity Arkansas:

On July 12, 2001, Huckabee, supported by the department, conducted Opportunity Arkansas conferences at five locations across the state. More than 1,200 people came together to discuss the future of Arkansas' economy and the importance of regionalism in today's global environment. The event provided a forum for open discussion regarding the need to focus on future growth sectors of the economy, the importance of a well-trained workforce, the value of a regional approach to economic development and the need for strategic planning at the local level to drive the process. The work that began that day continues to make Arkansas more competitive.

Nestle Comes To Arkansas:

The Nestle Corp., the world's largest food manufacturer, chose to make the largest investment in the company's history in Jonesboro after conducting a site search of 753 counties. The project will result in an initial investment of about \$200 million, 1,000 jobs and a payroll of \$27-28 million with potential for future growth. Nestle cited Arkansas' pro-business attitude and willingness to get things done as reasons to locate the new frozen food division in Arkansas. Nestle executives said the site offered the best combination of an enthusiastic workforce, competitive operating costs, a central U.S. location and a strong emphasis on quality of life, specifically the residential neighborhoods, schools and medical institutions.

National Recognition:

The department was chosen in May 2002 by *Site Selection* magazine as one of the top economic development organizations in the United States. It was one of only eight state agencies honored by the publication. When naming the department, *Site Selection* noted several achievements. These included capital investments from new and expanding

companies totaling more than \$2 billion, with projects such as the Nestle frozen food factory in Jonesboro and expansions such as Lockheed Martin near Camden and Frito-Lay at Jonesboro. Other efforts the magazine noted were Opportunity Arkansas; the department's revamped website, www.1-800-ARKANSAS.com; and a national marketing campaign targeting site consultants. The image-enhancement marketing includes industry trade publication advertising, targeted direct mail and national television advertising on CNN and its affiliates.

Arkansas Department of Environmental Quality

Exceeding Statewide Recycling Goals:

In 1991, Arkansas set lofty statewide recycling goals to promote recycling as a waste management strategy. The department led statewide efforts to meet the goal of recycling 40 percent of Arkansas' 1991 waste amount by 2000. Arkansas exceeded that goal in 1998. Arkansas' recycling rate has exceeded that of surrounding states. The department has directly provided about \$20 million in grants to Arkansas communities to implement recycling systems. In 2001, Arkansas set new recycling goals for 2005 and 2010.

Assistance-Oriented Services:

In recent years, the department has recognized the need to supplement traditional regulatory approaches to environmental protection. The department has initiated a number of assistance-oriented programs to help people and businesses protect the environment and comply with environmental rules. Examples include: Customer Service Division – a helpful contact and source of information and assistance for the public; Business Assistance Section – non-regulatory assistance and advice to businesses subject to environmental requirements; environmental preservation – helping farmers and other agricultural interests voluntarily protect the environment; and brownfields – putting contaminated land back into productive use while protecting citizens and the environment.

Improving Public Involvement:

During the past few years, the department has dramatically increased its level of interaction with the public through a variety of methods including: an extensive and efficient webpage that makes information and assistance readily available; numerous databases of environmental information available on-line, allowing the public to know and understand environmental activities in their communities (compliance, enforcement, permitting, etc.); an extensive supply of outreach materials, including brochures, posters, public event booths, etc; an environmental helpline designed to offer customer service to those seeking environmental information; and new open house methods of conducting public meetings and hearings to better inform the public about environmental actions in their communities.

Long-Term Strategy:

The department initiated a strategic planning process to analyze the operations of the agency and strategically plan for the future.

General Permits:

In recent years, the department has developed a series of general permits that allow individual businesses with similar operations to apply for a one-size-fits-all permit that simplifies permitting requirements while protecting the environment with appropriate science-based environmental limits. Businesses that prefer a facility-specific permit may still apply for such a permit.

Arkansas Employment Security Department

Economic Development Legislation:

Legislation was passed in the 2001 session that contributes to the state's economic development efforts by permitting out-of-state businesses to begin operations in Arkansas at less than the 3.3 percent new employer rate by taking advantage of their translatable positive experience in other states.

Continued Unemployment Claims By Telephone :

A continued claims interactive voice response system was implemented statewide in 1999. This option allows unemployment insurance claimants to call in their weekly claim information rather than mailing it or taking it to one of the local offices. Prior to implementation, 48 percent of claimants had their checks in the mail within three to four days. That percentage rose to 95 percent received by the Wednesday after implementation.

Arkansas Government Jobs :

The Arkansas government jobs website at www.arstatejobs.com was developed in 1998. This website lists all job openings for agencies under the executive branch of state government. It is the one site applicants can use to submit their applications online for any state job. It was launched through a 1998 governor's executive order and was the first such site in the nation.

Arkansas Department of Labor

Reducing Worker Illness And Injury:

The work injury and illness rate for Arkansas has decreased every year for the past eight years. According to a study by the state Department of Labor and the U. S. Department of Labor's Bureau of Labor Statistics, 6.5 work-related injuries and illnesses were reported for every 100 full-time workers in private industry in 2000. This is down from a high of 8.9 occupational injuries and illnesses per 100 workers in 1995. The department has expanded its efforts in a number of areas to help reduce the personal and economic costs to workers, their families and businesses associated with injuries.

Combining Efforts:

Since 1998, the department has increased its emphasis on collaborative efforts with industry to achieve common goals. The agency now has formal partnership agreements with the federal Occupational Safety and Health Administration, the Associated Builders and Contractors and the Arkansas Timber Producers Association to improve occupational safety and assist in monitoring safety programs.

Voluntary Protection Programs:

In May 2002, Arkansas became the first state to have a state-level association of participants in OSHA's Voluntary Protection Programs. Gov. Huckabee proclaimed the week of May 10 as Arkansas VPP week. VPP participants are from a select group of facilities that have designed and implemented outstanding health and safety programs.

Increased Training:

Since 1996, the department has expanded and improved its efforts to provide occupational safety and health training to workers and management through local, regional and statewide training classes, seminars and safety conferences. These are provided by the agency or in conjunction with a partnership agreement, OSHA or the Arkansas Workers' Compensation Commission.

SHARP:

The department has worked for the past two years to increase participation in its safety and health achievement and recognition program. This is a federal recognition and exemption program that provides incentives and support to smaller, high-hazard employers to develop, implement and continuously improve safety and health programs at their worksites. Seven Arkansas companies have achieved this status with several more working toward the goal.

Arkansas Department of Correction

Correctional Officer Retention:

With the governor's support for retention efforts, the department has reduced the turnover rate for first-year correctional officers from about 50 percent to 32 percent. That's still too high, but the improvement is remarkable. Some of the efforts the governor supported included getting special entry rates for officers and swapping 210 lower-level slots for sergeant positions to reduce the supervisor ratio. Career Ladder Incentive Program promotions have played a major role in reducing the turnover rate.

New Prison Beds:

The governor recommended funding the construction of a 948-bed facility for male inmates at Malvern, a 400-bed expansion of the Grimes Unit at Newport and a 200-bed addition for males at the Wrightsville Unit. He also supported construction of the so-called supermax unit at Varner where two 156-bed phases have been completed and construction of a third phase is under way. Ninety percent of the funding for the supermax unit came from federal grants through the Violent Offenders Incarceration Act.

County Jail Reimbursements:

When budget cuts erased \$5 million allocated to pay county jails for housing state inmates, Gov. Huckabee found a way to pay most of the bill. He diverted \$5 million in General Improvement Fund money.

Accreditation:

Arkansas has become only the ninth state to be fully accredited by the American Correctional Association, which means all department-owned facilities meet or exceed more than 400 national standards. The agency became fully accredited in 1996 when the Cummins Unit passed. Since that time, the agency has maintained full accreditation. In addition, the Wrightsville Boot Camp has been named Best of the Best by the American Correctional Association and the agency's construction division has been selected as Best in the Business by the Association of State Correctional Administrators. While being one of the best correctional agencies in the country, the department maintains one of the lowest inmate cost-per-day rates in the nation—about \$38 per day.

Inmate Safety:

Despite tremendous growth in the inmate population, inmate-on-inmate assaults with injury are decreasing. The current rate is lower than it was five years ago. Inmate lawsuits are at their lowest rate in 20 years.

Alternative Sentencing For Drug Offenders :

Huckabee has encouraged exploration of viable sentencing alternatives for drug offenders. About 21 percent of state prison inmates were convicted of violating substance abuse laws. Prior to the 2001 legislative session, the governor formed a work group to study alternatives to incarceration. Their work and the governor's support led to an expansion of drug courts.

Arkansas Public Service Commission

Community Outreach:

In the spring of 2001, the Public Service Commission implemented a statewide community outreach initiative with the twin goals of helping the PSC develop a better understanding of utility customers' needs and making local officials, community leaders and the public more familiar with the commission's purpose and activities. To date, the three commissioners, executive director, and the rural and community liaison have made presentations to county quorum courts, civic clubs, community organizations and rural electric cooperative boards in more than 90 communities, reaching all 75 counties. This community outreach initiative is an integral part of the PSC's mission to ensure Arkansans have quality utility service at reasonable rates.

Grand Gulf Refunds :

In early 2002, the PSC directed the distribution of \$54.3 million in refunds by Entergy Arkansas to its customers. The payment of these refunds represented the culmination of a six-year fight by the PSC to overturn a rate increase for electric power from the Grand Gulf nuclear generating station. The successful prosecution of the challenge to this increase, first before the Federal Energy Regulatory Commission and later before the U.S. Circuit Court of Appeals for the District of Columbia, resulted in the largest utility rate refund in Arkansas history. In addition to the refund, Entergy customers are enjoying a \$7 million annual reduction in rates on an ongoing basis.

Low-Income Gas Reconnection:

During the winter of 2000-2001, the combination of extremely cold weather and record high natural gas commodity prices produced the highest bills for natural gas service many Arkansans had experienced. As a result, thousands of low-income Arkansans faced the beginning of the 2001-2002 winter season without natural gas service because of disconnections for non-payment of the record-high bills from the previous winter. The PSC initiated a formal proceeding to address this pending crisis. After receiving input from citizen groups, natural gas utility companies and customers, the PSC devised and implemented a policy giving eligible low-income customers the opportunity to have natural gas service restored while restructuring their existing overdue charges to be payable during a 36-month period. When the enrollment period ended Dec. 31, 2001, more than 7,400 Arkansans had signed up to participate in the program.

E-Government Website:

In 2001, the commission began to enhance its website to expand public access to the utility documents and regulatory filings available. The commission now posts on its website all filings within four hours of their arrival. This allows information about proposed service and rate changes, the positions of the parties and final commission decisions to be available quickly and easily at no cost to the public. The PSC's enhanced website also provides easy public access to utility annual reports; the commission's public hearing calendar; utility rates, rules and service offerings; commission rules and regulations for the different types of utilities; and information on company certification to do business in Arkansas.

Recognizing the growing number of customers in the Hispanic community, the commission also has available information in Spanish on topics such as paying bills, understanding how rates for utility services are established and filing complaints at the commission.

Arkansas Department of Health

Abstinence Education:

In 1997, the department implemented a federal grant, with state matching funds, for abstinence education. This is a major component of a multifaceted, continuing approach to reduce unwed births and teenage pregnancies in Arkansas. Two coalitions, one for abstinence education and one for unwed birth prevention, provide support and guidance for these programs. A key component is funding of coalitions at the community level. In 1996, Arkansas ranked 49th in births to teenage mothers. By 2000, the state had improved to 42nd.

Chronic Disease Prevention:

To help address the leading causes of disease, death and related risk factors, the department began expanding chronic disease programs and activities with the receipt of a federal grant for the Arkansas central cancer registry in 1996. The department also received a federal grant for breast and cervical cancer control and implemented a state-funded breast care program in 1999. Additional expansion occurred with federal funding for diabetes control, cardiovascular health, arthritis and comprehensive cancer control. In 2001, the department implemented the state-funded tobacco prevention and cessation program.

Reorganization:

In 1999, the department used the results of a long-term planning process to change its organizational structure, strengthen its capacities in core public health and emphasize activities that affect the health of communities. The hometown health improvement initiative, which came out of this planning process, is a collaborative venture that provides leadership to assist communities in identifying and addressing their health needs. Through the initiative, the department is shifting the focus from treating illness toward creating a preventive health system that improves health. Since the 1999 start of the Boone County pilot project, the initiative has grown within the agency and across the state with 29 active coalitions.

Red River Homeowner Relocation:

Red River Aluminum, an abandoned secondary aluminum smelter in Stamps, accumulated 71,000 cubic yards of chloride-bearing waste during the decade it was open. This generated chloride-rich runoff that impacted surface water and shallow groundwater. A complaint was received at the department and sampling of the saltcake piles, two settling ponds, groundwater and soil (in several residents' yards) was completed in May and July 2000 in conjunction with the Arkansas Department of Environmental Quality. Through a cooperative effort of the departments of Health, Environmental Quality, Finance and Administration, the Arkansas Development Finance Authority and the governor's office, the owners of the 13 homes most affected by the runoff were relocated.

Arkansas State Police

Morgan Nick Alert:

The State Police, working with local broadcasters, created a radio and television network that alerts viewers and listeners to important information about abducted children. During the precious minutes following an abduction, the agency is able to provide statewide a description of the abducted child along with information about abduction suspects. The Morgan Nick Alert has become a model program. During 2001, the 14 children who were subjects of a Morgan Nick Alert were all located and returned home.

Fighting the War on Drugs:

In 2001, the agency was able to double the number of people who work exclusively on drug investigations and teach the investigators about the dangerous environment of methamphetamine laboratories.

New Investigative Technology:

The State Police and the state Crime Laboratory continue to assist local law enforcement agencies with the automated fingerprint identification system. Since the system began collecting data in 1997, more than 100,000 latent fingerprints collected at crime scenes have been matched to prints in the database. A manual process that once took months to complete - comparing fingerprints found at crime scenes to known prints of convicted felons - has now been reduced to minutes. Plans are under way to merge the state database with a national database managed by the U.S. Department of Justice.

Protecting Children:

Beginning in December 1997, the agency assumed a new role in administering child maltreatment investigations throughout the state. The work of investigators charged with these new responsibilities resulted in the release of the state and its support agencies from a federal court decree. Today, the agency routinely collects information on more than 3,000 reports of child neglect and abuse each month. In cases that are substantiated, law enforcement intervention occurs in less than 24 hours.

State Trooper Benefits:

The agency worked closely with Gov. Huckabee to avert the financial ruin of a state health insurance program designed to serve state troopers and their families. Today, this insurance program is considered one of the best among law enforcement agencies.